

Public
Employees'
Retirement
System

PERS Plan 3 Employer Update

PERS Plan 3 Member Newsletter

The Department of Retirement Systems (DRS) will mail the second edition of the *Plan 3 Transfer Decision News* to the homes of Phase 1 members in September 2001. Phase 1 members are employees of state agencies or higher education institutions. These members will have an initial opportunity to transfer to PERS Plan 3 from March 1, 2002 through August 31, 2002. If you are a Phase 1 employer, you will find enclosed advance copies of this newsletter.

DRS will rely heavily on employers to keep members informed of critical transfer decision news. This *Employer Update* is the second in a series designed to inform employers about PERS Plan 3.

Phase 1 employers are encouraged to post enclosed copies of the newsletter in appropriate locations to allow members additional access to information. Should Phase 1 members have any questions regarding PERS Plan 3 after reading the newsletter, please direct them to the PERS Plan 3 Web site, or to DRS staff (the Web site address and DRS telephone numbers are listed on Page 4).

Phase 2 members (employees of local governments and municipalities) will receive their second edition of *PERS Plan 3 Transfer Decision News* in December 2001. The initial transfer window for Phase 2 members will be September 1, 2002 through May 31, 2003.

Multiple Record Layout

Employers who have not started to use the Multiple Record Layout (MRL) to create member reports for DRS will need to begin this process soon. The unique nature of the PERS Plan 3 defined contribution component will require timely reporting of member information and MRL is the only layout employers can use to report Plan 3 members. For more information about MRL, please contact ESS at 1-800-547-6657 (ext. 47200) or (360) 664-7200.

Employer Training

DRS' Employer Support Services (ESS) unit will work closely with employers to coordinate PERS Plan 3 training. ESS began statewide training for employers in June 2001, and will continue through August 2001. In-depth PERS Plan 3 training sessions with Phase 1 employers will begin in October/November 2001 and continues through February 2002. These sessions for Phase 2 employers will begin in May/June 2002. These sessions will cover topics such as new forms required by PERS Plan 3, as well as new reporting requirements.

In preparation for PERS Plan 3 implementation, DRS recommends that employers begin taking steps now to ensure a smooth transition. For instance, employers can begin by correcting outstanding Transmittal Edit Message report messages and reconciling the Statement of Account Activity.

In addition, employers are reminded that new members hired as of March 1, 2002 (for Phase 1) or September 1, 2002 (for Phase 2) will have 90 days to make a plan choice. We recommend employers review and update their New Employee Orientation programs to reflect and emphasize the importance of this 90-day window for new members. DRS will provide employers with a new member plan choice informational packet for each newly hired member who is eligible for PERS. In addition, a plan choice video will be provided for employers to make available to members for viewing.

Vendors

DRS has contracted with two vendors to work with DRS to provide PERS Plan 3 education materials. This team approach to transfer and investment education supports DRS' goal of impartial plan information.

Arnerich Massena & Associates will create both transfer education and new member plan choice education packets and videos. They will also provide written materials for the transfer education seminars.

International City-County Management Association-Retirement Corporation (ICMA-RC) will provide investment education including written materials, a video, financial modeling software and a Web site. They will also conduct transfer and investment education seminars.

Educators who are presenting transfer and investment education will be committed, full-time, to providing a balanced perspective on the PERS transfer decision and investment guidelines. They will not be selling any products and they are not paid any type of commission.

These items provide members with a variety of resources for making retirement plan decisions. These services and materials are provided at no cost to either employers or members.

Transfer and Investment Education

DRS, in conjunction with ICMA-RC, will conduct both transfer and investment education seminars statewide. These seminars will provide members with the information and tools to make an informed decision regarding retirement planning.

Phase 1 employers should anticipate that ICMA-RC will contact them regarding seminar scheduling and registration beginning in November 2001.

Phase 2 employers should expect to be contacted by ICMA-RC between April 2002 and May 2002 for seminar scheduling and registration.

Anticipated Schedule	Phase 1 State Agencies & Higher Education	Phase 2 Local Government
<i>PERS Plan 3 Transfer Decision News #2</i> distributed to members.	September 2001	December 2001
ICMA-RC begins contacting employers to schedule transfer education seminars.	November 2001	April/May 2002
Transfer education packet and video distributed to employers.	December 2001	April 2002
Transfer education packet distributed to members.	December 2001	April 2002
Financial modeling software available to employers and members on Web site.	December 2001	December 2001
Transfer seminars begin.	January 2002	June/July 2002
Plan choice packet and video distributed to employers.	February 2002	August 2002

Correction to Technical Reporting Requirements and Procedures Manual

On page 5 of the *Technical Reporting Requirements and Procedures for PERS Plan 3* manual, published April 2001, the last sentence in the first paragraph reads: "Report compensation as earned, but not before it has been paid." The sentence should read: "Report compensation as earned, not as paid." The earning period field allows employers to record when the compensation was earned.

Member Addresses

Over the past few months, DRS has received a tremendous response to requests for up-to-date home addresses for members. As the launch date for PERS Plan 3 draws near, it is important employers keep members' addresses current. Please notify DRS of any home address changes via the transmittal if you report in the Multiple Record Layout (MRL). If you are not an MRL reporter, mail a diskette or name/address change form to:

PERS Plan 2 Member Address
Department of Retirement Systems
PO Box 48380
Olympia, WA 98504-8380

Restoration/Recovery of Service Credit

In September, DRS sent a letter to 11,000 members who have restorable or recoverable service credit. If DRS receives returned letters, these will be sent to the employer for distribution.

Resources

Internet site: PERS Plan 3 information will be posted on the DRS web page at:

<http://www.wa.gov/DRS/drs.htm>

Employers: If you have questions, contact Employer Support Services at:

1-800-547-6657 (ext. 47200) or (360) 664-7200

Members: If members have questions, ask them to contact DRS at:

1-800-547-6657 or (360) 664-7000